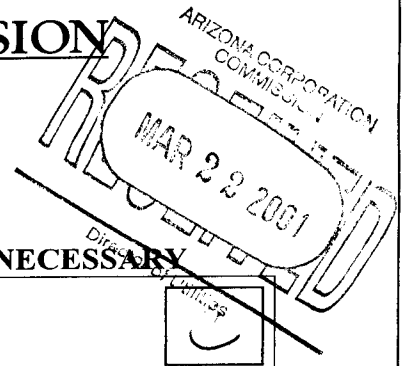


3/22/01 assessment db updated c.m.

3-22-01
Cm

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02060A WATER
CORDES LAKES WATER COMPANY
PO BOX 219
TEMPE AZ 85280-0000
0219

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

ANN04	00
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COMPANY INFORMATION

Company Name (Business Name) CORDES LAKES WATER COMPANY

Mailing Address P.O. BOX 219
(Street)
TEMPE AZ 85280
(City) (State) (Zip)

480-966-5804 480-967-7857 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: NEIL FOLKMAN SECRETARY
(Name) (Title)

SAME
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: REX MITCHELL
(Name)

SAME
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: NEIL FOLKMAN
(Name)

2422 E. PALO VERDE DR. PHOENIX AZ 85016
(Street) (City) (State) (Zip)

480-966-5804
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: NONE
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME *CORDES LAKES WATER COMPANY*

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	<i>53,815</i>		<i>53,815</i>
304	Structures and Improvements	<i>130,306</i>	<i>74,057</i>	<i>56,249</i>
307	Wells and Springs	<i>552,502</i>	<i>265,442</i>	<i>287,060</i>
311	Pumping Equipment	<i>544,206</i>	<i>267,587</i>	<i>276,619</i>
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	<i>806,374</i>	<i>465,883</i>	<i>340,491</i>
331	Transmission and Distribution Mains	<i>1,227,092</i>	<i>1,174,883</i>	<i>52,209</i>
333	Services			
334	Meters and Meter Installations	<i>563,747</i>	<i>327,081</i>	<i>236,666</i>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	<i>146,461</i>	<i>75,185</i>	<i>71,276</i>
340	Office Furniture and Equipment	<i>12,302</i>	<i>615</i>	<i>11,687</i>
341	Transportation Equipment	<i>70,097</i>	<i>13,552</i>	<i>56,545</i>
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	<i>1,283</i>	<i>64</i>	<i>1,218</i>
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	<i>4,108,185</i>	<i>2,664,349</i>	<i>1,443,835</i>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME *CORDES LAKES WATER COMPANY*

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	53,815	-0-	-0-
304	Structures and Improvements <i>FULLY DEPR.</i>	7,272 123,034	-0- 5	-0- 6,152
307	Wells and Springs <i>FULLY DEPR.</i>	7,417 545,085	-0- 5	-0- 27,254
311	Pumping Equipment <i>FULLY DEPR.</i>	7,696 536,510	-0- 5	-0- 26,826
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes <i>FULLY DEPR.</i>	36,919 769,458	-0- 5	-0- 38,473
331	Transmission and Distribution Mains <i>FULLY DEPR.</i>	1,167,167 59,925	-0- 5	-0- 2,996
333	Services			
334	Meters and Meter Installations	563,747	5	28,187
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment <i>FULLY DEPR.</i>	12,000 134,461	-0- 5	-0- 6,723
340	Office Furniture and Equipment	12,302	5	615
341	Transportation Equipment	70,097	5	3,505
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,283	5	64
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	4,108,188		140,759

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME *CORDES LAKES WATER COMPANY*

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 224,094	\$ 150,158
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 224,094	\$ 150,158
	FIXED ASSETS		
101	Utility Plant in Service	\$ 4,143,807	\$ 4,108,188
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	2,612,169	2,664,349
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,531,638	\$ 1,443,839
	TOTAL ASSETS	\$ 1,755,732	\$ 1,593,997

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *CORDES LAKES WATER COMPANY*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 14,939	\$ 24,066
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	126,619	141,422
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 141,558	\$ 165,488
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	17,800	17,800
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	84,324	79,639
272	Less: Amortization of Contributions	< 5,611 >	< 5,611 >
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 97,439	\$ 92,574
	TOTAL LIABILITIES	\$ 238,997	\$ 258,242
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	1,417,661	1,236,681
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 1,517,661	\$ 1,336,681
	TOTAL LIABILITIES AND CAPITAL	\$ 1,755,732	\$ 1,593,997

COMPANY NAME *CORDES LAKES WATER COMPANY*

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,262,155	\$ 1,426,245
460	Unmetered Water Revenue		
474	Other Water Revenues	5,611	5,611
	TOTAL REVENUES	\$ 1,267,766	\$ 1,431,856
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 481,542	\$ 452,378
610	Purchased Water		
615	Purchased Power	151,149	149,546
618	Chemicals		
620	Repairs and Maintenance	46,891	54,604
621	Office Supplies and Expense	32,621	48,133
630	Outside Services	137,414	142,374
635	Water Testing	32,041	28,336
641	Rents	24,300	33,450
650	Transportation Expenses	13,961	21,759
657	Insurance – General Liability	12,100	13,083
659	Insurance - Health and Life	34,600	29,409
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	53,032	182,218
403	Depreciation Expense	203,583	140,795
408	Taxes Other Than Income	72,756	80,316
408.11	Property Taxes	58,992	57,323
409	Income Tax		13,559
	TOTAL OPERATING EXPENSES	\$ 1,354,982	\$ 1,457,816
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	92,630	63,175
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	< 24,390 >	< 26,887 >
	TOTAL OTHER INCOME/EXP	\$ 68,240	\$ 36,288
	NET INCOME/(LOSS)	\$ < 18,976 >	\$ 10,328

COMPANY NAME CORDES LAKES WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$	<u>114,587</u>
Meter Deposits Refunded During the Test Year	\$	<u>16,088</u>

COMPANY NAME *CORDES LAKES WATER COMPANY*

WATER COMPANY PLANT DESCRIPTION

WELLS

SEE ATTACHED LIST

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>5</i>	<i>16</i>	<i>4</i>	
<i>7.5</i>	<i>11</i>		
<i>10</i>	<i>22</i>		
<i>15</i>	<i>8</i>		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>18,000</i>	<i>3</i>	<i>3,000</i>	<i>5</i>
<i>30,000</i>	<i>1</i>	<i>5,000</i>	<i>18</i>
<i>19,000</i>	<i>3</i>	<i>6,000</i>	<i>1</i>
<i>40,000</i>	<i>8</i>		
<i>60,000</i>	<i>3</i>		
<i>100,000</i>	<i>5</i>		

ADWR--ID NUMBER	UNIT & LOT	PUMP H.P.	PUMP YLD GPM	CASING SIZE INCHES	METER SIZE INCHES
55-609343	VV1-4	5	70	8	2
55-609342	VV1-36	7 1/2	100	12/10	3
55-609340	VV3-1286	25	142	8	3
55-609339	VV3-944	20	154	8	3
55-500663	VV2-456	20	130	10	3
55-555560	VV2-695	15	121	10	3
55-609337	VV4-C	15	125	10	3
55-609338	VV4-1708	10	73	8	3
55-513042	VV5-1871	10	105	10	3
55-609335	VV6-2876	7 1/2	60	8	3
55-609336	VV6-2683	25	131	8	3
55-507639	VV7-3470	25	165	10	3
55-609334	VV8-4384	20	20	8	3
55-518871	VV7-3238	25/25	395	14	3/3
55-528744	VV8-4206	100	373	12	4
55-565855	CL2-405	7 1/2	90	10	3
55-609346	CL4-970	7 1/2	110	12	3
55-609234	CL4-834	7 1/2	20	6	2
55-609347	CL7-2378	7 1/2	110	12	3
55-518196	CL8-2935	7 1/2	120	8	3
				.	
				.	

STATISTICAL INFORMATION

Total number of customers 4,615

Total number of gallons sold 432,601,000 gallons

COMPANY NAME CORDES LAKES WATER COMPANY YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 57,323

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME CORDES LAKES WATER COMPANY

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 10,242
Estimated or Actual Federal Tax Liability _____State Taxable Income Reported 3,317
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances - 0 -
Amount of Gross-Up Tax Collected - 0 -
Total Grossed-Up Contributions/Advances - 0 -

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE3/7/01
DATENEIL R. FOLKMAN
PRINTED NAMESECRETARY
TITLE

COMPANY NAME CORDES LAKES WATER COMPANY YEAR ENDING 12/31/2000

**WATER AND SEWER
UTILITIES ONLY**

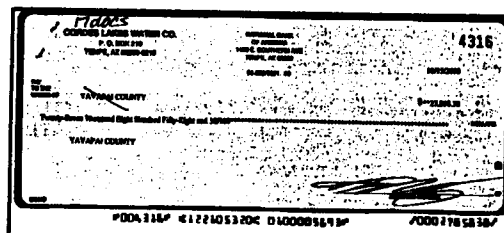
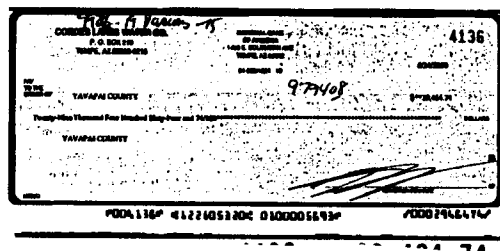
PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

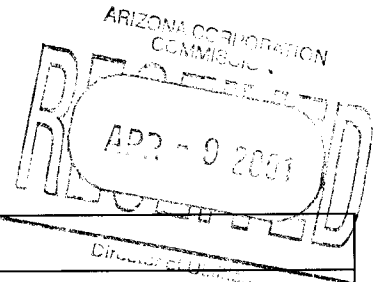
\$ _____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:



**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>NEW FOLKMAN SEC</u>
COMPANY NAME	<u>CORDES LAKES WATER CO</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

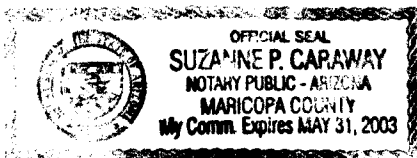
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,426,245

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 80,316
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

[Signature]
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

TELEPHONE NUMBER _____

NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

COUNTY NAME
MONTH <u>20</u>

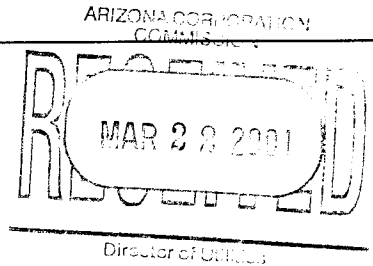
(SEAL)

MY COMMISSION EXPIRES

05/31/2003

[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>NEIL FOLKMAN</u>	TITLE <u>SECRETARY</u>
COMPANY NAME <u>CORDES LAKES WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>1,426,245</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 80,316
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

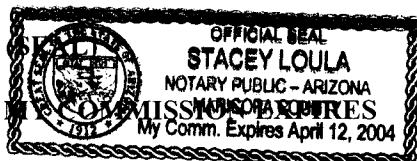
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

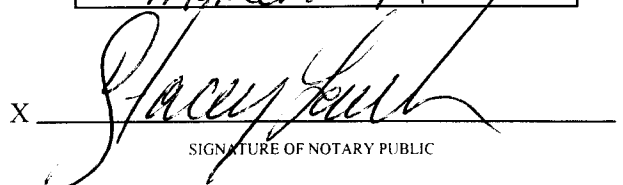
THIS

19th

DAY OF

NOTARY PUBLIC NAME <u>Stacey Loula</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>March 19</u>	20 <u>01</u>



X 
SIGNATURE OF NOTARY PUBLIC

4/2/04